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Foreign CROPS AND MARKETS

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U. S. DEPARTMENT OF AGRICULTURE

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EXPORTERS URGED TO MARK CONTAINERS WITH "UNITED STATES OF AMERICA"

The U. S. Department of Agriculture, in cooperation with other Federal agencies, suggests to exporters of agricultural products that insofar as practicable, export containers should be clearly and indelibly marked with the inscription, "United States of America."

The suggestion is in furtherance of a joint Senate-House resolution which points out that "the products of American industry and labor are of high quality," that "such products are a proud symbol of the accomplishments of our free-enterprise system and democratic way of life," and that "American-made goods should be publicized as such."

DOMINICAN REPUBLIC'S TOBACCO
EXPORTS UP 1.8 MILLION POUNDS

Leaf tobacco exports from the Dominican Republic during 1955 totaled 28.9 million pounds, 1.8 million pounds larger than 1954 but 9.6 million pounds below the 1945-49 annual average of 38.5 million pounds. Most of the increase from 1954 occurred in larger takings by the Netherlands, France, Spain, Tunisia, Gibraltar, and the United States, while exports to Western Germany, Algeria, Belgium, Uruguay, and French Morocco were slightly below the 1954 level. New export markets for Dominican leaf during 1955 included Madagascar, British Malaya, and Denmark.

DOMINICAN REPUBLIC: Exports of leaf, by country of destination
during 1955, with comparisons

Country of Destination	1953	1954 <u>1/</u>	1955 <u>1/</u>
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Western Germany.....	2,957	5,846	4,604
Algeria.....	2,715	2,853	2,695
Belgium.....	3,226	4,758	4,111
Spain.....	113	4,378	5,454
France.....	1,308	2,220	2,336
Netherlands.....	2,440	1,687	2,805
Gibraltar.....	2,312	1,493	1,993
French Morocco.....	436	1,354	898
Uruguay.....	420	1,091	343
French Indochina.....	3,267	690	722
United States.....	15	40	209
Others.....	1,642	779	2,775
Total.....	20,851	27,189	28,945

1/ Preliminary.

GREEK-CZECH TRADE AGREEMENT
INCLUDES TOBACCO

According to Die Tabak-Zeitung (Tobacco Gazette-Mainz) of March 9, a new trade agreement was signed between Greece and Czechoslovakia. The new trade agreement is valid from January 1, 1956 through December 31, 1956, and includes 2.6 million pounds of Greek tobacco as one of the items to be exported in exchange for Czech commodities. Since 1948 there have been no Greek tobacco exports to Czechoslovakia.

RENEWED YUGOSLAV-CZECH TRADE AGREEMENT INCLUDES TOBACCO

The Trade Agreement between Yugoslavia and Czechoslovakia has been extended for 1956 and includes 2.2 million pounds of Yugoslav tobacco as one of the items to be exported in exchange for Czech commodities. Yugoslav exports of unmanufactured tobacco to Czechoslovakia during 1954 and the first 9 months of 1955 totaled 165,000 and 1,510,000 pounds, respectively.

NETHERLANDS EXTENDS EXCISE AND SALES TAX REDUCTIONS ON CIGARS

The Netherlands Government has introduced in Parliament a bill to continue the reduction of excise taxes on cigars, according to recent report. The new bill proposes to extend the excise reduction from May 28, 1956 to May 28, 1958 and the sales tax exemption from May 28, 1956 to January 1, 1959.

For cigars weighing 3 kilograms or more per 1,000 pieces, the reduction amounts to 13 percent of the retail price (from 27 to 14 percent) and for cigars weighing less than 3 kilograms per 1,000 pieces (from 33 to 20 percent). Since December 1, 1950, cigars have been exempt from sales tax.

The proposed legislation undoubtedly will be passed to aid the cigar industry further to improve its sales and profits, which had declined seriously before the tax relief in 1952. A return to the applicable 1948 excise rates of 27 and 33 percent of the retail price of cigars and cigarillos, respectively, would again seriously hamper the financial structure of the cigar industry.

BILL TO REFORM STATE MONOPOLIES IN ECUADOR

The Minister of Treasury has sent a bill to the President of Ecuador modifying the Law on State Monopolies, according to recent report. The purpose of this bill is to permit the importation of cigarettes by private enterprise (private imports of cigarettes are now prohibited). The sales price of foreign cigarettes would still be set by the State Tobacco Monopoly which would receive a portion of the sales price in lieu of other taxes.

THAILAND INTRODUCES A NEW BRAND OF CIGARETTES ON THE MARKET

The Thailand Tobacco Monopoly has introduced a new brand of cigarettes, "Gold City," on the market. This brand is made largely from United States leaf and is similar in taste to American cigarettes. Widespread advertising and the relatively low price of 5 baht (40 U.S. cents) per pack as compared with 7 baht (56 U.S. cents) for most American-type cigarettes has resulted in large sales of this new cigarette.

PAKISTAN SEEKS EXPORT OUTLETS
FOR FLUE-CURED TOBACCO

On February 27, the Pakistani Director of Industries solicited offers for over 2 million pounds of redried Virginia tobacco (flue-cured) from the redrying plant at Khairpur Mirs for export, according to recent report. The qualities and quantities of flue-cured offered for export sale are as follows:

<u>Quality</u>	<u>Quantity</u>
V-1	400,000 pounds
V-2	600,000 pounds
V-3	200,000 pounds
V-4	400,000 pounds
V-5	600,000 pounds

The above quantities are from the 1954 crop. Attempts have been made to export Pakistani flue-cured tobacco to a number of areas including the United States and Western Europe, but to date no exports have been reported. The most likely market prospects for Pakistani flue-cured include the Netherlands, Belgium and Western Germany in exchange for industrial goods. At present, no foreign buyers seem interested in purchasing leaf from the 1955 crop.

U. S. AGRICULTURAL EXPORTS IN CALENDAR YEAR 1955

Agricultural exports rose 5 percent in value, 9 percent in volume, from 1954 to 1955. U. S. agricultural exports in calendar year 1955 totaled \$3,193 million, 5 percent more than the \$3,050 million in 1954. Measured in quantity terms, the gain amounted to 9 percent. The 1955 total marks the second year of recovery for agricultural exports. (See Foreign Crops and Markets, Vol. 70, No. 15, April 11, 1955).

The gain was achieved despite a \$311-million drop in cotton exports. Excluding cotton, the increase in other commodities as a group amounted to 20 percent.

Agricultural exports gained less than civilian industrial shipments. Total U. S. exports increased from \$14,948 million in 1954 to \$15,340 million in 1955. Industrial and military components rose by 2 percent. Excluding military items, which continued to decline in 1955, the civilian industrial export gain totaled 13 percent, more than double the rate for agricultural shipments.

Stronger foreign economic situation, domestic export programs, bolstered U. S. farm exports. Continued improvement in the foreign economic situation in 1955 had a stabilizing effect on agricultural exports with the major exception of cotton. Some of the United States best customers were in a better dollar position; they issued import permits more freely. Some customers needed more United States products to further their economic growth; some needed more because of shortages. At home, surplus disposal programs helped to increase exports.

Special pricing programs made it easier for some exporters to compete in the foreign market. (The current situation indicates that cotton exporters will see accelerated exports beginning August 1, 1956, under the new cotton export program announced February 28.) Export programs also facilitated exports to countries still in dollar difficulties.

Major agricultural items showed large increases. Export values of tobacco, soybeans, soybean oil, cottonseed oil, wheat, corn, barley, grain sorghums, tallow, cheese, and nonfat dry milk solids in 1955 each were more than \$5 million larger than in the previous year. Values for cotton, milled rice, peanuts, and lard were down by more than \$5 million. The decline for lard was due entirely to lower prices; quantity actually gained by nearly 100 million pounds.

Cotton

Cotton exports were slow as underselling by competitors increased. Cotton shipments (excluding linters) totaled 2,590 thousand bales (480 lbs. net) last year compared with 4,321 thousand in 1954. Agriculture's chief export problem is that United States cotton has been undersold in foreign markets by increased quantities of foreign cotton and by synthetic fibers. Export slowdown began in February 1955 and continued throughout the year. Foreign importers drew heavily on stocks and waited for United States prices to drop. Exports last year were aided by Public Law 480 programs (principally sales for foreign currencies) which moved out 395 thousand bales.

Tobacco

P.L. 480 and dollar sales expanded U. S. tobacco exports. Leaf tobacco exports totaled 535 million pounds in 1955, 84 million more than in 1954. Most types showed gains although flue-cured accounted for the bulk of the rise. Foreign consumption of cigarette tobaccos continued upward, and stocks of United States leaf abroad were increased. Export volume was the highest since 1946; value, largest recorded. Sales for foreign currencies under Title I of Public Law 480, accounted for about one-half of the increase. Regular dollar sales, however, made up about 92 percent of the 1955 total.

Grains

Poor quality 1954 European crop raised demand for U. S. wheat. Wheat and wheat flour exports (U. S. only) rose from 230 million bushels in 1954 to 272 million last year. European need for milling qualities was greater following poor quality 1954 harvests which yielded much feeding quality grain. Substantial quantities moved out under Public Law 480 in 1955: 58 million bushels under the foreign-currency sales program and 60 million under the barter program.

Short Argentine crop was chief factor in larger U. S. corn exports. Corn exports also increased in volume in 1955; total of 108 million bushels compared with 77 million in the preceding year. Last spring's short Argentine corn crop limited that supplier's exportable surplus. Exports of about 50 million bushels were facilitated by Public Law 480, principally under barter.

UNITED STATES: Summary of exports, domestic, of selected
agricultural commodities and groups during 1954 and 1955 a/

Commodity exported	Unit	Year ended December 31			
		Quantity		Value	
		1954	1955	1954	1955
				1,000	1,000
ANIMAL PRODUCTS:		Thousands	Thousands	dollars	dollars
Cheese	Lb.	5,378	22,897	2,262	8,452
Milk, condensed	Lb.	1,412	8,012	363	1,943
Milk, evaporated	Lb.	131,418	154,800	19,431	22,963
Milk, whole, dried	Lb.	42,421	45,891	21,772	23,232
Nonfat dry milk solids	Lb.	157,063	231,349	19,088	24,051
Eggs, in the shell	Doz.	47,953	49,725	17,237	20,126
Beef and veal, total b/	Lb.	33,824	40,664	9,233	10,835
Fork, total b/	Lb.	52,893	66,323	16,511	17,111
Other meats b/	Lb.	92,115	121,951	25,510	31,733
Lard	Lb.	465,397	562,071	83,878	76,066
Tallow, edible and inedible	Lb.	1,011,252	1,138,062	77,576	94,047
VEGETABLE PRODUCTS:					
Cotton,unmfd.,excl. linters (480 lb.)	Bale	4,321	2,590	779,863	469,293
Apples, fresh	Lb.	79,622	104,302	6,875	8,703
Grapefruit, fresh	Lb.	156,524	146,701	5,639	5,842
Oranges and tangerines	Lb.	726,817	670,154	38,239	34,984
Pears, fresh	Lb.	37,414	39,707	3,309	3,560
Prunes, dried	Lb.	79,724	80,334	13,933	14,303
Raisins and currants	Lb.	128,371	118,146	11,627	12,552
Fruits, canned	Lb.	211,893	225,643	32,486	36,328
Fruit juices	Gal.	26,163	28,534	23,734	27,793
Barley, grain (48 lb.)	Bu.	21,080	71,948	26,638	80,535
Barley, malt (34 lb.)	Bu.	4,158	3,914	9,731	8,920
Corn, grain (56 lb.)	Bu.	76,549	108,110	130,363	168,838
Grain sorghums (56 lb.)	Bu.	17,250	62,417	18,411	66,194
Rice, milled, excludes paddy	Lb.	1,171,752	1,088,248	100,449	76,205
Wheat, grain (60 lb.)	Bu.	192,821	221,515	348,148	386,066
Flour, wholly of U.S. wheat (100 lb.)	Bag	16,049	21,470	72,486	93,345
Flour,not wholly of U.S.wheat(100lb.)	Bag	839	78	4,265	375
Hops	Lb.	11,068	11,936	6,590	6,497
Nuts and preparations	Lb.	169,334	16,294	23,385	6,843
Soybeans, except canned (60 lb.) ...	Bu.	43,219	67,289	132,506	172,971
Soybean oil, crude, refined, etc. ..	Lb.	76,522	130,627	10,594	19,939
Cottonseed oil, crude, refined, etc. .	Lb.	587,975	572,150	69,879	77,675
Seeds, field and garden	Lb.	73,763	36,985	18,019	12,315
Tobacco, flue-cured	Lb.	374,819	454,749	258,262	305,886
Tobacco, leaf, other	Lb.	76,024	80,539	45,212	48,912
Beans, dried	Lb.	203,550	138,196	15,842	11,087
Peas, dried (ex. cowpeas & chickpeas)	Lb.	117,492	58,693	8,201	5,133
Potatoes, white	Lb.	336,281	394,256	7,735	9,963
Vegetables, fresh, other	Lb.	633,678	693,038	29,321	33,225
Vegetables, canned	Lb.	129,404	162,714	18,360	22,739
Food exported for relief, etc.				71,706	170,930
Other agricultural commodities				414,986	464,360
TOTAL AGRICULTURAL				3,049,655	3,192,870
TOTAL ALL COMMODITIES				14,948,104	15,340,207

a/ Preliminary. b/ Product weight.

Compiled from official records, Bureau of the Census.

Greater foreign needs also helped sorghum exports. Grain sorghum exports last year were 62 million bushels in striking contrast with 17 million in 1954. As for other feed grains, foreign demand for sorghums was also stronger last year. About 40 million bushels moved out under Public Law 480, nearly all under barter.

Increase in barley shipments also was striking. Barley shipment total rose from 21 million bushels in 1954 to 72 million in 1955. Nearly 40 million bushels moved under Public Law 480, three-fourths under barter.

Foreign currency sales to Japan bolstered rice exports. Milled rice shipments (paddy excluded) amounted to 1,088 million pounds last year compared with 1,172 million in 1954. Sales to Japan for yen under Public Law 480 helped to maintain 1955 exports close to the 1954 level.

Animal Fats

Lower prices favored further gain in lard exports. In quantity, lard exports in 1955 were almost 100 million pounds greater than in 1954, but prices averaged lower last year. Total of 562 million pounds reflected large domestic supplies and strong foreign demand for fats and oils. The United Kingdom and West Germany accounted for a large share of the increase.

Low prices and high quality helped set new record for tallow exports. Exports of tallow and greases reached a record 1,328 million pounds in 1955 as against 1,198 million in the previous year. Low United States prices and high quality were main factors in larger exports, which went mainly to Belgium, Italy, and the Netherlands.

Vegetable Oils and Oilseeds

CCC sales, foreign oil shortages, held cottonseed oil exports near peak. U. S. exports of cottonseed oil in 1955 totaled 572 million pounds, compared with the record 588 million in 1954. Exports in 1954 and the first half of 1955, except those to Canada, were largely from CCC sales to exporters at prices below United States levels. More than half the 1955 exports went to Europe; chief destination was the Netherlands, but over two-thirds of the shipments there were transshipped elsewhere. Exports to Western Germany increased again for use in top-quality margarine. Shipments to Argentina, Chile, Colombia, and Peru--necessitated by small sunflower seed crops--were made under Public Law 480. A below-average olive crop in Spain in late 1954, third in succession, caused her to buy U. S. cottonseed oil and soybean oil, largely under International Cooperation Administration and Public Law 480 export programs.

Low U. S. prices helped sell soybeans abroad also. Exports of soybeans during 1955 established a new record of 67 million bushels, 56 percent larger than in the year before. Demand for fats and oils abroad was strong and prices relatively low in the latter half of the year. Major market last year continued to be Japan: 22 million bushels. Shipments to Europe doubled. German restrictions on dollar imports were removed in May.

Short olive oil supplies abroad expanded demand for U. S. soybean oil. Soybean oil exports totaled 131 million pounds in 1955 compared with 77 million in the previous year. (Beans and oil combined totaled 80 million bushels in terms of beans, 58 percent more than in 1954, and 3 percent above the 1951 record.) In the second part of the year, large shipments were made to Spain and Greece due to short local supplies of olive oil. Half the exports went to Spain.

Fruits and Nuts

United Kingdom became a better market for U. S. apples. Fresh apple exports expanded from 80 million pounds in 1954 to 104 million last year. Main factor was the more liberal program in the United Kingdom which permitted entry of more United States apples than before.

Shorter summer crop hurt U. S. orange exports. Less fresh oranges were shipped abroad last year than in 1954 due to the shorter summer California crop in 1955. Total of 670 million pounds compared with 727 million in 1954. Higher prices bolstered the export value.

Nut shipments were at lower level last year. Exports of nuts and preparations declined to 16 million pounds in 1955 from 169 million in 1954 and 50 million in 1953. Exports were unusually large in the latter years when they included CCC sales of peanuts to exporters.

Vegetables

Europe bought less U. S. beans. Dried bean exports continued to fall last year; total of 138 million pounds compared with 204 million in 1954 and 287 million in 1953. Decline 2 years ago reflected smaller Mexican import demand; last year's drop was due to reduced European demand.

Pea exports also were smaller. Dried pea shipment total in 1955 was 59 million pounds as against 117 million in the year before. Exports were unusually large in 1954 due to European crop failures. The smaller United States crop also reduced exports last year.

Poor Canadian crop lifted demand for U. S. potatoes. Following poor Canadian potato crops in 1954, U. S. exports were larger in 1955. White potato shipments rose from 336 million pounds in 1954 to 394 million last year.

Livestock and Dairy Products

More dairy products were exported last year. Cheese shipments were up 18 million due in large part to an ICA program for Italy and a Government sale to Israel. Other 1955 totals: Condensed milk, 8 million pounds, up 7 million; evaporated milk, 155 million, up 24 million; nonfat dry milk solids, 231 million, up 74 million.

Factors in the dairy gain included increased purchasing power abroad, larger foreign import requirements, larger shipments through the United Nations Children's Fund, and Commodity Credit Corporation competitive pricing. (Substantial quantities of dairy products--not separately reported--also moved out as donations to private welfare agencies for overseas distribution.)

Larger meat exports also reflected improved purchasing power abroad. Exports of meats last year totaled 229 million pounds (product weight), 28 percent more than a year earlier. Exports were the largest since 1947, the last year of substantial shipments under the postwar European aid programs. People abroad now have the purchasing power to include more meat in their diets. Foreign aid programs continued to finance a good part of the beef exports. Gain in pork was limited by foreign sanitary restrictions, assertedly to prevent introduction of vesicular exanthema from the United States.

Private Relief Shipments

P.L. 480 facilitated private relief shipments. Shipments of food for relief and charity by private individuals and agencies rose from \$72 million in 1954 to \$171 million in 1955. Principal items are dairy products and cottonseed oil. Most were donated by CCC to private welfare agencies for overseas distribution. P.L. 480 made it easier for these agencies to distribute surplus foods last year.

WORLD HARD FIBERS PRODUCTION CONTINUES UPWARD TREND IN 1955

World production of the 3 principal hard fibers--sisal, henequen, and abaca--continued in 1955 on the upward trend of the past decade. Production is estimated at 1,512.6 million pounds compared with 1,431.1 million in 1954 and a low of 743.1 million in 1942. Most of the increase is due to sisal.

Sisal production has increased steadily to a record high of 1,019.8 million pounds in 1955 from a low of 444.8 million in 1946, and is 83 percent greater than in 1934-38, a representative prewar period. Production continues to increase chiefly as a result of increased plantings during years of especially favorable prices and demand.

Henequen production in 1955 was relatively low at 230.9 million pounds, or about 34 million less than in 1954 and 16 million less than the prewar average. Average production in the past 20 years was 267.6 million pounds. The largest production during that period was 323.4 million in 1943, and the smallest was 214.2 million in 1938.

Abaca production has failed to gain its prewar status and is estimated at only 261.9 million pounds in 1955. The prewar average was 387.2 million pounds.

Commodity and country	Averages				Calendar years									
	Early war		War years		Postwar	1951	1952	1953	1954	1955 1/				
	Prewar (5-year) 1934-38	years (2-year) 1939-40	years (5-year) 1941-45	years (5-year) 1946-50	(5-year) 1946-50	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds			
Sisal														
British East Africa.....	261.0	295.9	291.6		334.7	420.0	446.8	456.9	478.2	477.3				
Indonesia 2/.....	166.8	206.0	118.7		5.0	22.6	53.7	54.5	62.3	73.2				
Mozambique.....	32.3	25.0	35.6		38.2	41.4	41.9	48.6	54.4	59.1				
Haiti 3/.....	13.4	17.9	23.0		48.0	47.3	40.8	41.5	52.9	55.0				
Angola.....	11.3	14.6	21.3		36.8	51.1	55.3	69.0	68.3	89.7				
French West Africa.....	9.8 2/	6.9 2/	5.9		4.2	4.9	3.5	3.3 2/	2.0 2/	1.0				
Madagascar.....	5.3	5.8	5.0		6.7	15.5	18.1	19.8 2/	20.0 2/	20.0				
Belgian Congo 4/.....	0.7 2/	0.2	0.4		0.6	0.5	0.5	0.6	0.6 2/	0.8				
Brazil.....	5/ 2/	0.1 2/	3.1		55.7	138.9	132.3 1/	132.3 1/	138.9	198.4				
Venezuela.....	0.1	0.4 2/	2.1		5.9	17.6	19.8 2/	19.8 2/	15.0 2/	20.0				
Formosa (Taiwan).....	5/ 2/	2.1	2.2		3.0	2.5	2.8	1.5	2.2	2.6				
Other British Africa.....	3.1 2/	1.1 2/	1.0 2/		4.5	5.5 2/	4.1 2/	2.9	2.9	3.0				
Other French Africa.....	5/ 2/	5/ 2/	0.2		1.2	3.4	4.5	6.2	4.4 2/	3.0				
Other Western Hemisphere 2/.....	2.0	1.2	1.2		1.7	2.0	1.9	2.6	2.6	6.9				
Other countries.....	1.6	0.3	0.4		3.0	5.6	4.9	6.0	10.6	9.8				
Total sisal.....	507.4	577.5	511.7		549.2	778.8	830.9	865.5	915.3	1,019.8				
Hennequen														
Mexico.....	212.1	200.5	256.7		243.9	210.4	214.5	201.1	231.0	209.4				
Cuba.....	28.2	35.4	27.5		31.1	36.2	27.6	25.5	31.7	19.3				
El Salvador.....	6.4	7.5	8.3		6.4	6.0	7.4 2/	2.5 2/	2.0 2/	2.0				
Other countries.....	-	-	6/		0.4	0.5	0.4	0.1	0.2	0.2				
Total hennequen.....	246.7	243.4	292.5		281.8	253.1	249.9	229.2	264.9	230.9				
Abaca														
Philippines, Republic of 1/.....	375.5	387.6 2/	100.8		170.8	278.1	247.4	241.6	220.9	235.9				
Indonesia 2/.....	7.7	9.5	2.9		3.8	13.9	13.0	6.0	5.5	5.0				
British North Borneo.....	4.0 2/	4.3	5/ 2/		1.2	0.3	0.8	2.6	4.2 2/	3.3				
Central America 8/.....	-	0.1	7.3		28.9	24.6	34.1	31.7	19.6	17.1				
Other countries.....	-	-	0.6		1.0	1.5	1.3	0.7	0.7	0.6				
Total abaca.....	387.2	401.5	111.6		205.7	318.4	296.6	282.6	250.9	261.9				
Total sisal, hennequen and abaca.....														
	1,141.3	1,222.4	915.8		1,036.7	1,350.3	1,377.4	1,377.3	1,431.1	1,512.6				

1/ Preliminary.

2/ Foreign Agricultural Service estimates based on incomplete data.

3/ Excludes flume waste beginning 1947.

4/ Includes Ruanda Urundi.

5/ Not available.

6/ Less than 50,000 pounds.

7/ Data includes only fiber inspected by the Philippine Fiber Inspection Service and represent generally only 90 to 95 percent of the total Philippine production. Converted on the basis of 278.88 pounds to the bale.

8/ Panama, Costa Rica, Guatemala, and Honduras only.

Foreign Agricultural Service. Compiled from official statistics of foreign governments, reports of Agricultural Attaches, and estimates based on exports or other pertinent information.

The importance of each of the fibers in relation to the total production has changed considerably with the varying production trends of the individual fibers. The total now is composed of roughly two-thirds sisal and one-third henequen and abaca. Sisal at 67 percent of the total compares with only 44 percent in 1934-38. Henequen now is 15 percent compared with the prewar average of 22 percent, and abaca is now 18 percent compared with a former 34 percent.

The change in relative importance is due to the great increase in the quantity of sisal production, the small change in henequen and the decrease in abaca.

Hard fiber prices in 1955 showed more range between abaca and sisal than was registered in 1954. Abaca prices showed some recovery with an average increase of about 0.6 cent a pound. Sisal prices continued the downward trend with a loss in the annual average of 0.7 cent from the 1954 average. Henequen prices remained largely nominal throughout the year at about the same as in 1954 or slightly below. All prices were well below the peak 1951 level.

The African continent accounts for 65 percent of the world sisal supply, and British East Africa alone produces 50 to 60 percent. In the past year production decreased some in Tanganyika and Uganda, and increased slightly in Kenya. The lesser output in British East Africa is still well above estimates for years preceding 1954.

Production of sisal in 1955 increased also in Brazil, Indonesia, Angola, Mozambique, Venezuela, and many countries of smaller output. French Africa was the only area of significance that showed a decrease, and final figures may reverse the change indicated by preliminary information from that area.

Henequen production is limited entirely to the Western Hemisphere, and almost entirely to Mexico and Cuba. In 1955 Mexican production accounted for 91 percent of the total. The quantity was 209.4 million pounds. This was nearly 22 million less than in 1954, and about 3 million less than the prewar average.

Cuban production of henequen decreased 12.4 million pounds to a total of only 19.3 million. The decrease is attributed to a combination of unfavorable market prices and labor troubles. Only about two-thirds as many acres were harvested as in the preceding year. Exports of total henequen fiber and manufactures from Cuba decreased about 5.8 million pounds from the preceding year.

Production of fiber in El Salvador is believed to be on a relatively low level since 1952 because of the unfavorable price to growers.

Asiatic countries account for more than 93 percent of the abaca supply, and the Republic of the Philippines alone produced 235.9 million pounds or 90 percent of the world total in 1955. The Philippine Republic made some recovery from the small production of 220.9 million pounds in 1954, but the harvest is less than in other recent years and considerably below the prewar average.

Abaca seems to be receiving less attention than sisal in Indonesia. Sisal production increased considerably in 1955, but abaca production has been decreasing for some years. Production in North Borneo suffered a setback in the past year and reduced acreages in Central America produced less fiber.

CHILE INCREASES MAXIMUM CAPACITY OF COTTON MILLS

An increase in Chile's maximum annual cotton mill capacity from 130,000 to 160,000 bales (500 pounds gross) has been reported as the result of recent installations of new equipment and intensive repairs of existing equipment. Import permits for repair and replacement parts were freely granted during 1955 and the early months of 1956, and a general "tooling up" has been taking place. Chile's consumption of cotton in August-July 1954-55 was estimated at 89,000 bales or 68 per cent of total capacity, as compared with 108,000 bales in 1953-54.

Mill operations in the first 5 months of the 1955-56 marketing year were hindered by low imports and delayed customs clearance of cotton. Heavy imports were reported for December, however, and the supply position in January was considerably improved. Total imports for August-December 1955 amounted to 33,000 bales as compared with 30,000 in the same months of 1954. Imports during the year August-July 1954-55 amounted to 83,000 bales as compared with 101,000 bales in 1953-54. Imports were principally from 4 countries as follows (1953-54 figures in parentheses): Peru 32,000 (28,000); the United States 25,000 (40,000); Brazil 15,000 (10,000); and Egypt 11,000 (21,000).

Two fires occurred in customs yards in December 1955, destroying approximately 2,300 bales of cotton, with estimate of the loss placed at approximately \$500,000 by the insurance company. Approximately 7,000 bales of cotton were stacked in the open customs yard along the railroad, and sparks from a passing engine were believed to have caused the fires. Following the fires, all remaining bales were freighted to the Government warehouse at Santiago for classification and identification. The cotton represented off-loadings of two vessels which had not completely discharged their cargoes.

An agreement recently signed between the United States and Chile under terms of Public Law 480, Title I, is expected to provide for Chilean purchase of approximately 30,000 bales of United States cotton in addition to their normal imports. Payment for the 30,000 bales under Title I will be made in Chilean currency.

Cotton stocks on February 29, 1956, were estimated at 11,000 bales or more than twice the 5,000 bale-stock available on August 1, 1955.

COCOA PRODUCTION PROSPECTS FOR GOLD COAST

The current estimate of the 1955-56 main cocoa crop for the Gold Coast is 218,020 tons. This decreases the original estimate by 1,980 tons.

Good progress is reported on the campaign to eliminate swollen shoot disease. A total of 2,853,019 trees were removed during the July-September quarter of 1955, and 2,975,319 were removed in the October-December, 1955 quarter. There is an increasing demand for sprayers in the Gold Coast because of the satisfactory results obtained by farmers spraying their trees against capsid.

According to an intensive survey which ended in September, 1955, it appears that newer acreages are compensating for the decline in the older areas. However, improved methods of cultivation and maintenance are said to be needed to halt the downward trend in production. The earliest areas to be planted with cocoa are now showing a decline. Over a larger proportion of the Gold Coast, cocoa cultivation is still increasing, yet the total bearing acreage does not appear likely to increase much further.

JAPAN'S COTTON CONSUMPTION
BELOW LAST YEAR

Japan's cotton mill consumption of 975,000 bales (500 pounds gross) in the August-January period of the 1955-56 marketing year represented an 8 percent decline from consumption of 1,056,000 bales in the corresponding period of 1954-55. Consumption has been increasing in the last 3 months of the current period, however, rising from the year's low of 139,000 bales in October 1955 to 171,000 bales in January 1956. Consumption in January 1955 amounted to 162,000 bales. Total consumption of cotton in Japan including nonmill use amounted to 999,000 bales in August-January 1955-56 as compared with 1,063,000 bales in the same months of 1954-55.

Imports of cotton into Japan amounted to 931,000 bales in August-January 1955-56 or only 1 percent below imports of 940,000 bales in the first 6 months of 1954-55. Information on the source of imports is available only through November 1955, but a sharp drop in imports from the United States was evident in that period.

Imports from Mexico and Brazil also declined, although Mexico was the leading source. Imports from India, Pakistan, Nicaragua, and El Salvador were increased. Quantities imported from principal sources during August-November 1955, with corresponding 1954 figures in parentheses were: Mexico 132,000 (167,000); the United States 112,000 (210,000); India 83,000 (14,000); Brazil 67,000 (90,000); Pakistan 50,000 (33,000); Nicaragua 34,000 (10,000); El Salvador 24,000 (2,000); and Egypt 21,000 (21,000).

Japan's operable spindles as of January 31, 1956, amounted to 8,220,174, or 52,240 spindles above the end of the previous month. The January rate of operated to operable spindles was 85.6 percent compared with the December rate of 86.9 percent.

Japan's weaving capacity and operations in January 1956 were as follows:

	<u>Looms operable</u> <u>January 31, 1956</u>	<u>Looms operated</u> <u>in January</u>	<u>Ratio</u> <u>(percent)</u>
Spinner weavers	80,605	60,122	74.6
Independent weavers	<u>304,502</u>	<u>253,740</u>	<u>83.3</u>
Total	385,107	313,862	81.5

Pure cotton yarn production in January 1956 by counts was as follows:

	<u>Pounds</u>	<u>Percent</u>
Below 10s	212,843	0.3
10s - 20s	7,472,210	10.4
20s - 22s	17,638,344	24.5
23s - 29s	1,468,652	2.0
30s - 39s	18,915,456	26.2
40s - 49s	23,325,392	32.4
Above 50s	<u>3,053,517</u>	<u>4.2</u>
Total	72,086,414	100.0

A substantial reduction of velveteen exports to the United States in 1956 is being considered although the ceiling limiting such exports has not yet been announced. Exports in the calendar year 1955 amounted to about 7,000,000 square yards.

Plans for quantitative restrictions on cotton textile exports to Europe have also been announced by the Government, in line with restrictions already placed on cotton textile exports to the United States and Canada. The controls are to be retroactive from January 1, 1956. The action, reportedly, was taken not so much as a step to curb total volume of exports as to stabilize prices on exports going to this area, in order to avoid the criticism of dumping by manufacturers in the importing countries. Japanese cotton fabric exports to Europe amounted to 132,000,000 square yards in 1955, compared with 148,000,000 in 1954 and 69,000,000 in 1953.

Japan's total stocks of raw cotton on January 31, 1956, were estimated at 357,000 bales, down 16 percent from stocks of 425,000 bales on August 1, 1955.

INDIA'S COTTON CONSUMPTION CONTINUES
AT HIGHER LEVELS; COTTON PRICES FIRM

India's cotton consumption of 2,051,000 bales (500 pounds gross) during the first 6 months (August-January) of the 1955-56 marketing year represented a 5 percent increase over consumption of 1,949,000 bales in August-January 1954-55. Consumption of 367,000 bales in December 1955 represented the highest for any month on record. All of the increase was in the use of Indian cotton, as consumption of foreign cottons was reduced during the period. Consumption of domestic cotton amounted to 1,825,000 bales in the current period as compared with 1,658,000 bales in August-January 1954-55, and that of foreign cotton was 226,000 bales as compared with 291,000 bales a year earlier.

Conditions in the Bombay Cotton Market have been somewhat abnormal in the past few months, mainly attributed to the suspension and closure by the Government of India, Forward Markets Commission, of the February and May 1956 futures contracts, and the upward tendency in spot cotton prices. Resumption of futures trading in Bombay may be indefinitely delayed, pending further court action, as the dismissal of the appeal made by the trade to the Bombay High Court against the decision of the Forward Markets Commission reportedly did not settle the matter, and the issue may be taken to the Supreme Court of India.

The firm trend in spot prices both in Bombay, and in the Upcountry Ready Markets is attributed to lower estimates of the new crop despite increased acreage, increased export demand from Japan and the Continent, and the heavy mill consumption previously mentioned.

India's 1955-56 cotton production is estimated at about 4,000,000 bales, down 9 percent from 1954-55 production of 4,400,000 bales. Acreage planted to cotton in 1955-56 was higher than in 1954-55, 19,000,000 acres as compared with 18,350,000, but the new crop was reduced by damage from heavy rains and floods last fall. India's First Five Year Plan ends with the 1955-56 season, although the targets of 18 million acres and 4.23 million Indian bales (3.45 million bales of 500 pounds gross) were attained last year, one year ahead of schedule.

India's cotton imports during August-November 1955 amounted to 127,000 bales or only slightly higher than imports of 118,000 bales in the same months of 1954. Imports from the Sudan and Egypt have increased markedly, while those from the United States have dropped to almost nothing. Quantities imported in the current period, with corresponding 1954 figures in parentheses were: Kenya 45,000 bales (47,000); Egypt 40,000 (29,000); Sudan 35,000 (8,000); the United States 2,000 (28,000); and Tanganyika 1,000 (6,000).

Cotton exports from India amounted to 244,000 bales in August-November 1955, or nearly 6 times the exports of 42,000 bales in August-November 1954. India has been a net importer of cotton since partition from Pakistan in August 1947, but it will be noted that the exports in the current 4-month period were almost twice the quantity imported in the same months.

Japan was the principal destination of India's cotton exports during August-November 1955, increasing sharply over the same months in 1954. Exports to several European countries also were noticeably increased.

Quantities exported to the principal destinations in August-November 1955, with corresponding 1954 figures in parentheses, were: Japan 114,000 bales (25,000); the United Kingdom 21,000 (3,000); Belgium 19,000 (2,000); Italy 12,000 (1,000); the Netherlands 8,000 (2,000); France 4,000 (3,000); Western Germany 4,000 (1,000); Switzerland (1,000) and the United States 1,000 (3,000).

India's cotton export quotas for the 1955-56 season have totaled 445,000 Indian bales (400 pounds gross, 392 pounds net), equivalent to 363,000 bales of 500 pounds gross (480 pounds net). This quantity plus a carryover of 251,000 Indian bales, unshipped from the 1954-55 export quotas, results in a total available export allotment for the 1955-56 season of 696,000 Indian bales, equivalent to 568,000 bales of 500 pounds gross. Details of the 1955-56 export quotas are as follows:

INDIA: Cotton export quotas, August-July 1955-56

Variety and staple length	Indian bales 400 lb. gross (392 lb. net)	Equiv. bales 500 lb. gross (480 lb. net)
Carryover from 1954-55 quota:		
All varieties stapling 25/32 inch and below.....	251,000	205,000
1955-56 quota:		
All varieties except Coconadas and Bengal Desi, stapling 3/4 inch and below.....	300,000	245,000
Bengal Desi.....	75,000	61,000
All varieties except Coconadas, stapling 25/32 inch and below.....	25,000	20,000
Cocanadas (from ports of Madras and Kakinada only, until March 31, 1956)	5,000	4,000
Special quota for China:		
Cotton stapling 25/32 inch and below	10,000	8,000
Cotton stapling 26/32 inch and below	30,000	25,000
Total available for 1955-56 export	696,000	568,000

The upward trend in Bombay spot cotton prices is illustrated by the quotations shown below. The rise is attributed to heavy demand by the cotton mills, shorter than expected crop, short covering, and the demand for ready exportable varieties.

INDIA: Bombay spot cotton quotations for selected varieties,
1955-56 crop, November 1955 - March 1956

(Equivalent U. S. cents per pound) 1/

Date	Jarila, Fine 13/16 inch	Vijay, Fine 13/16 inch	Bengal, Fine any staple
1955:			
November 17.....	19.80	23.95	15.39
December 15.....	21.11	23.71	16.61
1956:			
January 18.....	20.65	23.86	16.50
February 17.....	20.51	23.35	17.02
March 15.....	20.50	24.52	17.29

1/ Quotations do not include export tax of 2.68 cents per pound.

Stocks of cotton held by Indian mills on January 31, 1956, amounted to 1,057,000 bales, or 10 percent higher than those held a year earlier. Quantities held by country of origin were as follows:

Mill stocks of:	January 1955	January 1956
	(thousand bales of 500 lb. gross)	
Indian cotton.....	852	929
Foreign cotton:		
United States.....	28	7
East African.....	40	53
Egyptian.....	28	33
Sudanese.....	10	30
Other foreign.....	5	5
Total.....	963	1,057

JAPANESE ANTARCTIC WHALE OIL PRODUCTION UP 11 PERCENT OVER LAST YEAR

Japan's 3 whaling fleets participating in the 1955-56 Antarctic whaling season (which ended on March 5) produced a total of approximately 76,600 short tons of whale and sperm oil, or about 11 percent more than the 68,700 tons produced in the 1954-55 season.

Production of whale (baleen) oil was 63,500 tons, as compared with the 59,000 tons produced during the 1954-55 season. According to present plans approximately 56,800 tons of the 1955-56 production will be exported. Thus far, 39,100 tons have been sold to Western Germany, reportedly at a price of £86 per metric ton (\$219 per short ton) compared with the £76 (\$193) received for the previous season's production.

Production of sperm oil totaled 13,100 tons during the 1955-56 season as compared with the 1954-55 output of 9,700 tons. It has also been reported that about 3,970 tons of sperm oil have been sold to the United States at a price equivalent to about \$180 per ton.

Japanese exports of fish oils, including whale oil, are expected to reach a high level during the coming year owing not only to larger production of whale oil, but also to heavy production of herring oil coupled with a favorable price trend in the European market.

PRESENCE OF SOUTHERN CORN RUST REVEALED IN FAR EAST TROPICS

The Southern Corn Rust (*puccinia Polysora*) has been identified on corn in Central Malaya, Singapore, Christmas Island and North Borneo. The other nearby islands are being surveyed. Evidently the rust has not reached Cocos Island which has direct airplane connections with Australia.

The rust was noticed only this past year in Malaya and it is believed to have arrived in that country within the last 3 years. The rust was found and identified in North Borneo also last year but the Director of Agriculture thinks it has been there for some time.

The rust apparently has not done any serious damage and no complaints have been received from farmers over loss of crops. The rust may cause a drop in production, particularly sweet corn grown as a garden crop in many parts of the country.

1955 BANANA EXPORTS FROM COLUMBIA INCREASE

The 1955 banana crop in Colombia is estimated at 25 million stems grown on an area of 112,000 acres. Exports in 1955 exceeded 9 million stems with Western Germany, the United States, the Netherlands, Belgium and Luxembourg, and Switzerland in that order being the principal receivers. Exports in 1954 were slightly less than 7 million stems.

GERMAN GOVERNMENT EXTENDS IMPORT PERIOD FOR DOLLAR DRIED FRUITS AND NUTS

The Import Tender published September 24, 1956 by Western Germany for United States dried fruits and nuts has been extended so that applications are open till December 31, 1956, up to the "hidden value" limit. The previous closing date was March 31, 1956. The Tender was also enlarged to include the entire dollar area.

CITRUS PRODUCTION IN THE SAO PAULO AREA OF BRAZIL INCREASES

Official sources in the State of Sao Paulo estimate the 1955-56 orange crop in that State at 8 million boxes. This is the largest crop in 13 years and would have been even larger except for the sharp frosts occurring in some areas during flowering.

Citrus fruit exports through the Port of Santos in 1955 increased 89 percent over the previous year to reach a total of 520,000 boxes. Of these exports, the United Kingdom received over one-half with Argentina, the Netherlands, Germany, Belgium, and Iceland receiving the remainder.

Sao Paulo's exports are expected to increase and gradually regain prewar proportions. Citrus production in the State of Sao Paulo accounts for about one-fifth of Brazil's total production.

1955 FOREIGN PRUNE PRODUCTION ABOVE AVERAGE

Large crops of dried prunes in Yugoslavia and Argentina accounted for most of the increase of 20,000 tons in the 1955 commercial production outside the United States. Most of the increased production was in Yugoslavia where 1955 was the "on-year" in a pattern of alternating large and small crops. The 1955 estimate of 25,000 tons for Yugoslavia is still subject to revision. (The Yugoslav Government's first estimate of the pack was 55,000 tons.) Larger quantities of prunes than in the previous season were also dried in Chile and South Africa. Only in France and Australia was the 1955 pack smaller than in 1954.

PRUNES, DRIED: Estimated commercial production in
specified countries, average 1948-52, annual 1952-55

Country	Average 1948-52	1952	1953	1954	1955
- - - Short tons - - -					
France.....	8,400	4,400	9,700	7,200	6,800
Yugoslavia.....	8,500	900	50,000	9,200	25,000
Argentina.....	5,400	5,000	6,600	2,200	6,800
Australia.....	2,800	2,700	3,800	4,300	2,600
Chile.....	3,600	5,500	3,800	3,500	4,500
Union of So. Africa..	1,800	3,000	1,500	2,400	3,300
Foreign total.....	30,500	21,500	75,400	28,800	49,000
United States.....	191,300	135,000	148,400	177,500	135,800
GRAND TOTAL.....	221,800	156,500	223,800	206,300	184,800

Preliminary estimates of 1956 production in the Southern Hemisphere point to a slightly smaller pack in Chile (4,400 tons), a reduced pack in South Africa (2,800 tons), and another small pack in Australia.

PRUNES, DRIED: Exports from the United States to specified countries, averages 1934-38, and 1948-52, annual 1952-55

Area and country of destination	Year beginning September 1					
	Averages		1952	1953	1954	1955 ^{1/}
	1934-38	1948-52				
	-- -- Short tons -- --					
<u>Europe</u>						
United Kingdom	19,390	9,533	0	14,635	8,009	4,688
Austria	59	696	2/	388	43	1
Belgium-Luxembourg	5,648	3,021	1,958	1,880	2,115	917
Denmark	5,450	404	14	24	37	16
Finland	2,119	1,256	1	553	1,118	425
France	20,445	1,602	4,804	459	1,395	1,474
Germany, Western ^{3/}	7,310	13,189	119	2,886	2,986	1,777
Ireland	411	362	506	267	646	186
Italy	450	2,105	856	1,222	31	93
Netherlands	5,838	3,879	1,833	2,402	3,030	1,003
Norway	2,581	1,755	1,512	2,416	4,224	978
Sweden	4,388	3,883	3,219	2,515	2,439	2,472
Switzerland	289	855	535	697	998	686
Iceland	7	89	262	199	257	54
Other	^{4/} 5,624	^{5/} 464	^{6/} 180	^{7/} 503	^{8/} 22	2
Total	80,009	43,093	15,799	31,046	27,350	14,772
<u>Latin American Rep.</u>						
Mexico	279	280	414	326	250	136
Guatemala	26	54	64	19	60	6
El Salvador	18	29	35	26	28	14
Honduras	15	11	14	5	1	3
Nicaragua	9	18	14	8	1	^{9/}
Costa Rica	24	24	35	17	14	7
Panama, Rep. of	77	65	74	51	126	20
Canal Zone	14	31	24	21	17	8
Cuba	300	512	441	393	459	201
Haiti	11	13	13	5	1	^{9/}
Dominican Republic	44	89	123	93	51	67
Colombia	110	77	191	115	123	43
Venezuela	97	458	455	517	606	214
Ecuador	16	27	31	27	21	12
Peru	66	122	210	93	175	88
Bolivia	19	17	2	27	1	^{9/}
Brazil	395	568	456	63	68	^{9/}
Uruguay	287	113	23	12	26	10
Other	^{10/} 1,999	0	0	0	0	^{9/}
Total	3,806	2,508	2,619	1,818	2,028	829

PRUNES, DRIED: Exports from the United States to specified countries,
average 1934-38, 1948-52, annual 1952-55

Year beginning September 1

Area and country of destination	Averages		1952	1953	1954	1955 <u>1/</u>
	1934-38	1948-52				
	- - - Short tons - - -					
Other Countries						
Canada.....	9,223:	6,468:	6,633:	6,236:	7,466:	2,581
British West Indies.....	176:	208:	109:	91:	395:	71
British Guiana.....	27:	39:	16:	21:	44:	10
Israel-Palestine.....	490:	178:	82:	203:	65:	117
British Malaya.....	64:	198:	124:	102:	161:	17
Indonesia.....	109:	31:	2:	2:	9:	<u>9/</u>
Philippines, Rep. of...	372:	179:	90:	88:	129:	19
Hong Kong.....	108:	194:	144:	43:	137:	25
Japan.....	93:	143:	44:	33:	38:	10
Egypt.....	270:	150:	229:	112:	128:	79
Netherlands Antilles...	23:	26:	23:	20:	14:	2
Belgian Congo.....	2:	18:	10:	25:	5:	<u>9/</u>
French Morocco.....	83:	33:	60:	89:	60:	35
New Zealand.....	1,113:	222:	0:	<u>9/</u> :	644:	152
Fr. Pacific Islands.....	<u>9/</u> :	10:	11:	10:	2:	1
Ceylon.....	26:	7:	24:	<u>9/</u> :	2:	<u>9/</u>
Mozambique.....	28:	3:	3:	2:	2:	<u>9/</u>
Others.....	11/ 988:	12/ 179:	13/ 238:	534:	913:	737
Total.....	13,195:	8,286:	7,842:	7,611:	10,214:	3,856
GRAND TOTAL.....	97,010:	53,887:	26,260:	40,475:	39,592:	19,457

1/ 5 months September - January.

2/ Less than 1/2 ton.

3/ Classified as East and West Germany January 1, 1952.

4/ Includes in tons: Czechoslovakia 1,845; Estonia 53; Latvia 111; Lithuania 239; Poland and Danzig 2,876; Spain 378; Greece 46; and Rumania 39.

5/ Includes in tons: Portugal 112; Gibraltar 26; Trieste 205; Greece 87 and Yugoslavia 34.

6/ Includes 171 tons to Yugoslavia and 9 to Portugal.

7/ Includes 500 tons to Spain and 3 to Portugal.

8/ Includes 20 tons to Greece and 2 to Poland.

9/ If any, included in "Other" under "Other Countries."

10/ Includes 1,982 tons to Argentina.

11/ Includes in tons: 156 to India; 181 to China; 39 to Indo China; and 45 to Thailand.

12/ Includes 70 tons to Lebanon and 87 to Thailand.

13/ Includes 198 tons to Thailand.

Reports from France vary as to whether the February freeze damaged prune buds. The predominant view among French trade sources is that the 1956 crop will be short because of freeze injury 1/. No information is yet available as to the effects of the severe winter weather on the outlook for the 1956 prune crop in Yugoslavia. In neighboring Austria, many plum buds were reportedly destroyed by the February cold wave.

United States exports of dried prunes in the first 5 months of the 1955-56 season (September through January) amounted to 19,457 short tons, or 4 percent more than in the corresponding period of 1954-55 when 18,637 tons were exported. In the last 2 full seasons, 1953-54 and 1954-55, exports totalled 40,475 and 39,592 tons respectively, or a little over 40 percent of the prewar average (1934-38) exports of 97,010 tons. The sharpest decline in exports has occurred in shipments to Europe, the major foreign market for United States dried prunes. Exports to Europe in 1953-54 and 1954-55 amounted to only 31,046 and 27,350 tons respectively, compared with 80,009 tons before the war. In noting that United States exports in recent years have been much below the prewar level, it must also be borne in mind that production in the United States in the most recent 5-year period (1951-55) averaged only 155,400 tons in contrast to 235,000 tons in the 1934-38 period.

MEDITERRANEAN BASIN OLIVE OIL PRODUCTION SMALLEST SINCE 1950

Mediterranean Basin olive oil production from 1955-crop olives is estimated by the Foreign Agricultural Service at 750,500 short tons on the basis of information now available. This is a decline of over one-fourth from last season's output, now revised to 1,044,460 tons, and is the smallest output since 1950 when production dropped to 628,000 tons. These production estimates represent the total oil pressed, including allowances made for consumption by growers in countries reporting only commercial production. Oil extracted by solvents from the residues of pressing is not included.

The small production from the current crop is particularly disappointing because 1955 normally would have been a year of high production in the alternating cycle of high and low olive yields characteristic of the main producing countries. Moreover, of even greater significance is the fact that stocks at the beginning of the 1955-56 season were materially lower than those at the opening of the previous year. Consequently, the major producers have been obliged to rely heavily on imports of vegetable seed oils to meet domestic requirements and--in the case of some countries--to continue to allow for exports. Fortunately, world supplies of most other edible vegetable oils, principally soybean, cottonseed and peanut oils from 1955 crops are large.

1/ More complete information on France appears in Foreign Agriculture Circular FDF 3-56 The Dried Prune Situation in France, April 12, 1956

Spain, Italy, Greece and Turkey already have imported substantial quantities of vegetable oils and are likely to take a total of nearly 400 million pounds from the United States in the 12-month period ending next September 30. Most of this total is covered by agreements made under Title I of Public Law 480.

The principal factors responsible for the poor crop were unfavorable weather in a number of countries, heavy insect damage and olive diseases. In general, the quality of the oil is indicated to be inferior to that normally produced.

Olive oil production in Greece, now expected to be considerably lower than early forecasts had indicated, may not exceed 100,000 tons. This is 20,000 tons less than production from the 1954 crop and the smallest outturn since 1952. The reduction from the earlier outlook is chiefly due to a late attack of the olive fruit fly. This had been preceded by early heavy attacks and unseasonal rains during the blooming period.

The policy of the Greek Government, in general, has been to free the export of olive oil and thereby develop regular foreign outlets in order to provide a source of foreign exchange. But, because of the short crop, exports of olive oil both for food and industrial uses have been prohibited since mid-December 1955. Moreover, to meet domestic needs of 120,000 tons and to insure adequate stocks, substantial imports of vegetable oils have been necessary.

Widespread infestation of the olive fly coupled with unfavorable weather likewise was the major factor contributing to Italy's poor crop. The present estimate of 175,000 tons indicates an outturn less than one-half the volume produced last year and the smallest tonnage since 1945. Despite the short supply, Italy has not put a ban or other special regulations on the exportation of olive oil. Normally, Italy exports very little olive oil from domestic supplies as practically the entire production whether high or low is required for domestic needs of around 440,000 tons (total edible vegetable oils). Italy has a sizable trade in lower-grade olive oils, however, which it imports, refines and blends with certain domestic oils for export to foreign markets. With supplies of olive oil short this year, the demand for imported edible vegetable oils ("seed" oils) is exceptionally high.

Portugal is the only major producer of olive oil with a larger output this season than a year ago. The estimate, at 85,000 tons, is almost 60 percent larger than production from the 1954 crop. However, it is well below the average of other "good" years.

For the second successive year Spain's olive oil production is down and for the fourth successive year it is sharply below the record high of 666,900 tons produced from the 1951 crop of olives. The oil yield from the 1955 crop is estimated at around 275,000 tons, which would be the smallest tonnage since the below-average yield of 189,000 tons in 1950. It is generally recognized that the 1955 olive crop was substantially reduced because of exceptionally intense fly damage and prolonged drought in major producing areas. Trade and government officials report that olive fly infestation was perhaps the most severe in recent history.

OLIVE OIL 1/: Estimated production in the Mediterranean Basin,
averages 1935-39 and 1945-49, annual 1952-1955

(Short tons)

Country	Average		1952	1953	1954 <u>2/</u>	1955 <u>2/</u>
	1935-39	1945-49				
EUROPE						
France.....	8,000:	7,000:	7,000:	12,000:	9,000:	7,000
Greece.....	131,500:	132,540:	77,000:	174,600:	120,000:	100,000
Italy.....	256,000:	189,800:	219,000:	381,000:	313,000:	175,000
Portugal.....	64,000:	67,460:	57,700:	134,400:	53,500:	85,000
Spain.....	3/357,400:	365,200:	308,600:	363,800:	335,000:	275,000
Yugoslavia.....	3/ 5,900:	4,100:	3,000:	800:	9,000:	700
MIDDLE EAST						
Israel.....	4/ 7,000:	3/ 2,500:	2,000:	2,200:	2,500:	600
Syria.....	(12,500:	14,900:	6,600:	6,000:	4,200:	4,800
Lebanon.....	(12,500:	10,800:	8,000:	11,000:	8,300:	4,400
Turkey.....	44,000:	38,000:	65,000:	35,000:	70,000:	30,000
AFRICA						
Algeria.....	20,000:	17,600:	29,000:	28,000:	30,000:	20,000
French Morocco..	10,300:	11,800:	13,000:	18,000:	27,560:	15,000
Tunisia.....	49,300:	42,300:	38,600:	90,000:	58,400:	30,000
Libya.....	2,600:	3,000:	1,000:	12,000:	4,000:	3,000
Total.....	968,500:	907,000:	835,500:	1,268,800:	1,044,460:	750,500

1/ Total oil pressed in marketing season beginning October of years shown; excludes oil extracted from residue. 2/ Preliminary. 3/ Average of less than 5 years. 4/ Territory formerly known as Palestine.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research, and other information.

Despite the small crop, Spain hopes to maintain normal exports. All olive oil exports were temporarily suspended on January 17, but the responsible ministry has since indicated that the ban will be lifted on exports previously under contract.

With average domestic consumption close to 400,000 short tons, Spain has found it necessary to import a large volume of vegetable oil. Purchase authorizations issued by the United States to Spain since last fall under Public Law 480 provide thus far for over 100,000 short tons of cottonseed and soybean oils. There have also been substantial Spanish commercial purchases of these oils in the United States.

Production in the Middle East countries is believed to be down 50 percent due largely to the sharp drop in Turkey's production. The 1955 olive crop in Turkey produced an estimated 30,000 tons of oil in contrast to about 70,000 tons from the 1954 crop. Moreover, the quality of the oil was reduced by olive fly infestation with the result that a much larger proportion of the oil is of inedible quality than normally is the case. There have been no exports of olive oil from Turkey since 1953.

Olive oil production also is down sharply in all the North African countries. The estimate of 30,000 tons in Tunisia indicates the smallest outturn since 1947. In Algeria, production may not exceed 20,000 tons, the smallest since 1949 and in Morocco production appears to be about 15,000 tons--the lowest since 1952.

Currently, the outlook for 1956-crop olives is poor, except in North Africa. The recent severe winter weather has damaged olive trees in France, Italy, Spain and Greece. The extent of the damage cannot be properly assessed until later this spring when the trees bloom, but present indications are that the damage was severe in many areas and that another poor crop is in prospect.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

U. K.-IRISH PORK AGREEMENT TERMINATES IN APRIL

According to a recent announcement the United Kingdom - Republic of Ireland agreement of May 24, 1951, concerning the purchase of live hogs and pork products, will terminate April 30. Under this agreement the United Kingdom purchased not less than 90 percent of Ireland's exportable surplus of pork. After May 1, 1956 the trade between the United Kingdom in live hogs and pork will be handled through private trade. Trade after May 1 will be governed by the Trade Agreements of 1938 and 1948.

Live hogs may be imported under the Open General License procedure. Since 1954 pork imports have been made under the Open Individual License procedure. The Board of Trade is expected to announce details of the import licensing arrangements for bacon imports from Ireland.

Under the 1951 agreement hog producers in Ireland benefited from the price support program of the United Kingdom. The floor price for pork and live hogs were established in relation to the guaranteed prices in the United Kingdom. Domestic bacon prices are determined by the price in the U. K.-Denmark purchase contract.

After April 30 Irish hogs exported to the United Kingdom will not qualify for price support payments under the Fatstock Guarantee Scheme.

Export of Irish pork and bacon to the United Kingdom during the period of the 1951 agreement were:

Year	Pork, excluding offals	Bacon
	1,000 Tons	1,000 Tons
1951	--	--
1952	5.1	0.3
1953	16.6	5.5
1954	13.6	12.5
1955	11.2	2.7

MEAT EXPORTS TO AUSTRIA LIMITED BY SANITARY AND OTHER BARRIERS

It is difficult for the United States to export meat products to Austria. Rigid veterinary inspection requirements against hog cholera exclude many United States pork products. The marketing of cattle and beef products in Austria is closely controlled by the Austrian Livestock Marketing Board. This board controls the import and export of meat products and slaughter stock. Liberalization of trade with dollar areas has not been extended to livestock and meat, posing still another obstacle to United States exports.

Austria is fairly self-sufficient in meat. Meat exports in 1955 were slightly more than 1 million pounds, compared with 8.1 million pounds in 1954. Out of a total consumption of 701 million pounds in 1955 only 6 million pounds were imported. In 1954 meat consumption was 672 million pounds and 6 million were imported.

In 1955 Austria imported from the United States 400,000 pounds of meat, principally pork livers and kidneys. Imports of meat from the United States in 1954 totaled 190 thousand pounds. Only one company is authorized to import pork, or pork variety meats from the United States. All but 44,000 pounds of the meats which the United States exported to Austria were shipped in during the first half of 1955. During the latter half of 1955 tightened import regulations prevented additional marketings. United States products must be canned or processed in Austria before being offered to the public.

Austrian livestock numbers have changed little in recent years and no significant changes are expected in the current year. Cattle numbers increased by 40,000 head over the 1954 level of 2.3 million. This is 91 percent of the pre-war total. Hog numbers in 1955 totaled 29 million, 100,000 above 1954 and 50,000 above the pre-war level.

NEW ZEALAND WOOL PRICES

Wool prices in New Zealand advanced near the end of March 1956, to the mid-December 1955 levels. These prices were about 2 cents per pound below the January seasonal high and only 4 to 6 cents below those of March 1955. The trend in prices was downward during February and the early part of March.

During the current season through March 12, 1956, about 746,400 bales of wool had been sold at New Zealand auctions from an expected total of 1,025,000 bales. The average price for this season through March 12 was 47 pence (about 55 cents) per pound compared with 49 3/4 pence per pound for total sales during the 1954-55 season.

VENEZUELA TO PURCHASE
HOGS IN U. S.

Venezuelan Government buyers are expected to arrive in the United States soon to purchase some 4,000 head of hogs. The Venezuelan Ministry of Agriculture imported around 1,000 hogs last winter from the United States and sold them to farmers.

HONDURAS IMPORTS CATTLE
FROM COSTA RICA

The Ministry of Natural Resources of Honduras has been negotiating the purchase of at least 250 pure bred cattle in Costa Rica for use in artificial insemination centers and for sale to cattlemen who find it difficult to make importations on their own.

The Ministry recently established an artificial insemination station for cattle at San Pedro Sula. This is the first breeding center in Costa Rica. Plans are to establish several additional ones in connection with their breed improvement work.

SWITZERLAND'S IMPORTS OF TALLOW
AND GREASE UP SLIGHTLY

Imports of tallow and greases into Switzerland in 1955 totaled 20.1 million pounds, a slight increase from the 19.8 million pounds imported in 1954. Of the total quantity imported last year, approximately one-third consisted of oleo oil, oleo stearine and edible tallow. The principal supplier of tallow and greases to Switzerland is the United States. Switzerland exports some tallow and in 1955 shipments totaled 2.6 million pounds.

Lard imports into Switzerland increased from 412,000 pounds in 1954 to 880,000 pounds in 1955. Under a trade agreement between Switzerland and the United States, 90 percent of Switzerland's lard imports are from the United States.

The duty on lard imported into Switzerland is 20 Swiss francs per 100 kilograms, net (2.1 cents per pound). The import duty on prime tallow is 1 franc per 100 kilograms, net, or about 0.1 cent per pound.

FLUID MILK CONSUMPTION STEADY IN SWEDEN

In spite of a 4.8 percent decline in milk production from 9.6 billion pounds produced in 1954, consumption of fluid milk in Sweden declined less than 1 percent in 1955 from the 1954 average level of about 495 pounds per person; this figure also included light and heavy cream consumption. This relatively small decline in per capita use during 1955 was registered in the face of an increase of about 34 percent in the retail price of milk between December 1954 and December 1955.

Butter was the item which felt the impact in the decrease in milk supply, dropping 9 percent from 1954; total butter production in 1955 was an estimated 189 million pounds. Butter consumption between 1954 and 1955 dropped from about 25 pounds to under 24.

It was in ice cream that the largest per capita gain was registered. The average consumption in 1955 was 4.4 pounds as against 3.3 pounds per capita in 1954.

MANUFACTURING PRICES SET IN U.K.

The expert consultant retained by the Milk Marketing Board and the manufacturers of dairy products in the United Kingdom, after they could not agree on the price of milk for manufacture, has decided on the price of milk for the processing of certain products. Under the decision, the price of milk for manufacture of condensed milk, chocolate crumb and whole milk powder is raised from \$2.265 to \$2.492 per cwt.

The determination price of milk going to butter is to be made by formula, in which the factors are the price of imported butter from Denmark and New Zealand, the manufacturer's costs and profit, the value of skim milk and the ratio of milk used to butter manufactured; 3 of the above items were subjects of disagreement in the original price discussions. Under the consultant's decision the price is to be computed monthly.

Since the formula depends on the Danish and New Zealand butter prices, the current price cannot be computed precisely. If the formula had been in effect during the past year, it is estimated that the average price of milk going to butter would have been about 10 cents a hundredweight higher and the average of all milk for manufacture about 8.5 cents a hundredweight more.

TARIFF CHANGES LOWER DAIRY PRODUCTS DUTIES IN COSTA RICA

The Government of Costa Rica has made some changes in import duties since July 1955. The Government pamphlet listing these changes has not as yet been published, but several revisions have been made in duties on milk products. The following products have been affected, all of them within the 37-029-09-00 item classification of the Nomenclatura Uniforme Centroamericana; the new rates are effective upon the recommendation of the Customs Commission.

Acidified milk for dietetic use in containers not over 1 kilogram is now admitted free.

Modified milks for dietetic uses in containers not over 1 kilogram now are subject to a reduced specific duty of 0.8 cents a pound; the ad valorem rate remains the same at 4 percent.

Special milks for infant feedings in containers not over 1 kilogram have a specific duty charge of 0.8 cents a pound and a 4 percent ad valorem charge.

Dietetic milk products in containers not over 1 kilogram are subject to specific duty charges of 10 cents a pound and an ad valorem rate of 4 percent.

All other products in the classification are charged the specific duty rate of 48.5 cents a pound and the ad valorem duty of 4 percent.

BRAZIL ADDS NEW DAIRY PLANTS

In spite of the low per capita income in Brazil, the food products industry is reported growing rapidly. Among the growing industries is dairy processing. An additional 57 new plants have recently been added to the list of milk processors and further expansion is underway.

The United Nations and the Brazilian Government have contributed to the funds for the erection of a milk plant in northeast Brazil by The Cooperative (Central de Laticieries de Regime Sudesto de Rio Grande de Sul Ltd.); the plant will dry approximately 7,000 pounds of milk per day for distribution to children in the northeast.

The United Nations also contributed \$280,000 toward the erection of another plant in Leopoldina in Minas Gerais province, north of the Federal District. This plant is expected to cost \$850,000 upon completion and will distribute 11,000 quarts of milk daily to school children and for other charitable purposes.

A milk powdering plant was recently opened in Soto Legeas in Minas Gerais. The operating capacity of this plant is given as 136,000 pounds of milk daily. Minas Gerais province was also the site of a new operation by Produces Alimenticias Maeshina S.A.; this plant is currently processing 5,000 cans of condensed milk, 200 pounds of butter and 200 pounds of unsweetened condensed milk daily. Nestle's is reported building a plant in Minas Gerais with the processing equipment being imported; Nestle's also has other installations under consideration.

A site in Pernambuco, a province in the northeast, is said to be under study by the Cia.de Produtos Vigor for a plant which would process from 180,000 to 275,000 pounds of milk daily.

OUTLOOK FOR DANISH DAIRY PRODUCTION

In the first half of 1956, Danish supplies of dairy products are expected to show a slight increase over the same period of 1955. This assumption is based on the fact that, although milk cow numbers in January, 1956, were down about 2 percent from last year, a higher yield per cow should offset this decline. Furthermore, the improved prices of dairy products should provide a stimulus to raise milk production.

It is believed that export prices for dairy commodities will remain at a fairly high level, due to a relatively strong demand in Western Europe during the first half of 1956. Export of butter is expected to expand at the expense of cheese, due to the fact that the price of butter during the past few months had increased more than cheese. No greatly increased exports of canned and dried milk are anticipated, due to the rather stiff competition on the world market.

URUGUAY INCREASES EXPORT QUOTAS

The Uruguayan Council of Government has authorized the export of another 13.2 million pounds of beef through April. This will amount to about one week's production of the 4 firms which will process the meat for export -- Frigorifico Nacional, Anglo, Swift, and Castro.

Exchange rates for these exportations will be 3.10 pesos per dollar for chilled or frozen continental B and F type carcasses, 2.35 pesos per dollar for boneless beef, 3.50 pesos for canned meats and slaughterhouse byproducts. The exchange rate for hides is also 3.50 pesos per dollar (See Foreign Crops and Markets, February 6, 1956).

There are two principal differences between the current export program and previous ones. The first is that no "additional" are being paid. The second is no specific quotas are authorized for individual packing plants. (See Foreign Crops and Markets, February 13, 1956).

It is reported that 6.6 million pounds of mutton, and beef and mutton offals have been authorized for export to the United Kingdom. Uruguayan authorities are concerned about the small quotas established by the United Kingdom and are negotiating for an increase in their quota.

The Government of Uruguay has also allowed a cooperative slaughter plant to process 4,000 head of canner cattle into jerked beef for export to Puerto Rico. Slaughter for these exportations is to be completed by May 31.

CEYLON SIGNS TRADE AGREEMENT WITH RUMANIA

A Ceylonese newspaper has reported that a trade and payments agreement between Ceylon and Rumania was signed at Colombo on March 16. This is the fourth member of the Communist Bloc with which Ceylon has negotiated trade agreements, having signed pacts with Poland and Czechoslovakia in December 1955, in addition to a 5-year rubber-rice agreement which has been in effect with Communist China since 1952.

It is reported that commodities to be exported by Ceylon under the agreement include tea, rubber, coconut oil, copra, coir fiber, graphite, cocoa beans, and spices; while the list of commodities for export from Rumania to Ceylon includes machinery, cement mills, cement, electrical equipment, window glass, plywood chests, wheat flour, newsprint, paper, and textiles.

The agreement provides for most-favored-nation treatment between the two countries and specifies that commodities imported or exported by Ceylon are to be handled by Ceylonese firms. Technical details of the payments agreement are to be arranged by the respective central banks.

According to Ceylon trade statistics for 1955, no commodities were exported directly from Ceylon to Rumania last year, while the principal import from Rumania consisted of 16 tons of window glass valued at Rupees 3,000 (U. S. \$600).

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